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Conflict in the Far East
1931-1932



AMERICAN COUNCIL
INSTITUTE OF PACIFIC RELATIONS

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CONFLICT IN THE FAR EAST
1931-1932

Prepared by the Staff of the
AMERICAN COUNCIL
INSTITUTE OF PACIFIC RELATIONS

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CHAPTER I

WHY ARE WE, AS AMERICANS, INTERESTED?

The world has reached the stage where every geographical region and every specific interest is dependent upon every other region and every other interest. Just as the loss of a job or illness to one member of a family affects the welfare of the entire family, so an economic and political and moral catastrophe such as has occurred in the Far East affects the well being of the entire world.

The present conflict in the Far East has affected our interests and well being all along the line. While our trade does not appear to have suffered as a direct result of the military activities in Manchuria and Shanghai, the League of Nations and the United States seriously debated the imposition of an economic boycott on Japan which would have had serious consequences. Our Government, as well as those of the other nations of the world, has been faced with this dilemma: political ideals as expressed in the Nine-Power Treaty and the Pact of Paris were in such jeopardy that the only way of preserving them appeared at one time to be through the application of economic sanctions, but this move would have ruined our vital commercial relations with Japan and thus increased the havoc of the depression.

Individuals were faced with a similar dilemma. The man or woman who wore silk stockings or clothing would have had to turn to silk substitutes if the United States had boycotted Japan and therefore refused to import Japanese raw silk. That same person, on the other hand, may have had a burning desire to see the peace machinery of the world made more effective. There was at least an apparent conflict between personal comfort and the realization of an ideal.

The holders of Japanese bonds in this country must have a very real impression of the havoc wrought by the conflict in that before it began these bonds were quoted at an average price of 93 and, by the end of April, they had tumbled to an average of 52.4. The damage done to American property in Shanghai has not yet been calculated, but it is evident from the bombing, looting and military occupation of colleges, hospitals and business concerns in which we were interested that the loss is great. The danger to the 3,500 American residents of Shanghai has been successfully averted, but that hardly minimizes the acuteness and anxiety of the situation during the fighting.

What has become of the open door policy and the machinery we have established to prevent war? It is too soon to reply; but it can be pointed out that these ideas have been dangerously challenged. Whether the movement for the promotion of peace and for the intelligent understanding of international affairs has received a serious setback or has been stimulated to further endeavor depends upon whether the Far Eastern conflict, along with certain tendencies in this country and Europe, marks a step towards a return to pre-war nationalism or is merely a temporary setback in a steady forward march towards international understanding.

The extent of our interests in the Far East, ranging from the specific commodities which we export to or import from that region, to ideals for international peace, are outlined in the following paragraphs. These interests relate directly or indirectly to every individual in the United States.

THE AMERICAN STAKE IN CHINA

Our interests in the Far East are of three kinds: cultural, economic or commercial, and political. We shall consider each of these in turn.

Cultural

The first item in what may be termed our stake in the Far East is the cultural one. It is probably through American missionary and educational work in China and Japan that those countries and their people have been most effectively brought into contact with our civilization. With this work there are probably more Americans directly associated than with the purely commercial contacts. Our financial investments in these missionary and educational enterprises amount to \$43,000,000 in China and \$8,000,000 in Japan and represent colleges, churches, schools, hospitals and other welfare institutions. Americans have contributed millions of dollars annually which are not included in these estimates of capital investments. At the height of the missionary movement, around 1926, there were over 8,000 American and British Protestant missionaries in China alone. By 1929, however, that number had diminished to under 5,000. The part played by Chinese and Japanese students in this country, of which there are 1,242 and 1,187 respectively, moreover has forged a link in the chain that binds us to the Orient along with Eastern objects of art which adorn our museums and private homes, and the excellent literature on China and Japan.

Economic

With respect to our foreign trade, it is important to note that

whereas the share of it taken by Europe has been steadily declining, the share taken by Asia has shown a steady increase. Thus in 1880 Europe bought about 83% of the total exports of the United States and in 1930 only 49%; in 1880 Asia bought under 2% of our total exports and in 1930 nearly 12%. Imports into this country show a similar tendency. In 1880 we purchased 50% of our import products in Europe and in 1930 only 30%; in 1880 we purchased only 11% of our imports from Asia but by 1930 this had increased to 28%. It is evident, then, that although Asia is not yet quite so important to us commercially as Europe, its position is rapidly gaining.

In Asia by far the most important countries in our commercial relations are China and Japan and it is undoubtedly largely for this reason that our State Department has taken such serious concern of the present disturbances. Of the two countries, Japan is worth more to us commercially at present. Potentially, however, China with its four hundred million people, offers enormous possibilities.

The most important item in our purchases from the Far East is raw silk. Indeed, because of the large market for silk in this country coupled with the fact that we have no native production, the value of our purchases of raw silk from abroad every year is greater than the value of any other single import. Nearly all of this raw silk comes from the Far East with Japan sending from 80 to 85% of it and China around 15%. Thus it is safe to assume that any silk worn in this country comes from Japan or China. (The chance of being wrong is only one in twenty.) 1,648 silk mills in this country, employing 137,000 workers, are almost entirely dependent on this product from the Far East. The largest concentration of these mills is in Philadelphia, Allentown and Wilkes Barre, Pennsylvania, and in Paterson, New Jersey.

From Japan we also buy large quantities of tea, potteries, camphor and three-fourths of our foreign supply of crabmeat. In addition to silk, China supplies us with wool used in the manufacture of domestic carpets and rugs in the Philadelphia region; wood oil used in the manufacture of varnishes and enamels around New York City, Philadelphia, Detroit and Chicago; bristles for the manufacture of brushes in New York, Chicago, Boston, Baltimore and Newark; furs which are largely made up in New York and Chicago; raw cotton used for the manufacture of blankets in the mills of New Hampshire, Draper (North Carolina), New Bedford (Massachusetts), Esmond (Rhode Island), and Biddeford (Maine); and hides and skins for the upper shoe leathers in the important American shoe manufacturing industry.

The most important single item which we sell in the Far East is raw cotton grown in our southern states. In view of the fact that over half of the American cotton crop is usually exported, foreign conditions greatly affect the demand for this product. Last year Japan alone purchased two-fifths of our cotton exports and China also took a sizeable portion. It is, therefore, not an exaggeration to say that the Far Eastern situation is a very important factor in our own cotton growing industry.

China and Japan purchase about 9% of our total petroleum products exports which come mainly from Pennsylvania, Texas and California; a large amount of machinery and electrical equipment from the New England States, New York and the middle west; iron and steel and railway supplies from Pennsylvania, Maryland and Alabama; and wheat and timber from the Pacific West Coast. China, in addition, consumes annually around \$20,000,000 of tobacco grown in Southern Virginia, North Carolina and Georgia.

Our commercial relations with the Far East, then, are evidently important, particularly so in that two of our important enterprises, cotton growing and silk manufacturing are so largely dependent on conditions in China and Japan. The present extent of these relations, however, is regarded by many as nothing in comparison to the future possibilities. Ambitious traders have many times computed what it would mean to the United States were each of the four hundred million people of China to add one inch to the length of their cotton garments or smoke one package of American cigarettes a year or if the inhabitants of both China and Japan were to make an extensive use of automobiles and gasoline. We do not need to pay too much attention to statistical pictures of this sort. The idea is nevertheless a sound one that the Far East offers the most important future market for American goods and an important source of raw products for our manufacturing industries.

Trade figures, however, do not reveal the full extent of our economic relations with the Far East. American bond holders, for instance, own over \$200,000,000 worth of Japanese Government and municipal bonds and over \$41,000,000 worth of Chinese railway bonds. The fact that as a result of the critical situation which has prevailed in China for twenty years, these railway securities are currently quoted at 10; and that as a result of the present Far Eastern crisis our Japanese investments are quoted at 52.4, shows that at least for those who own these bonds, disturbances in China and Japan are of immediate concern. Americans have also invested heavily in large domestic corporations such as the Standard Oil Company of New York and the General

Electric Company, which either own or control subsidiaries in the Far East. The welfare of the firms in China and Japan naturally affects the prosperity of the American parent organization.

Americans have, furthermore, a direct investment in buildings, public utilities, banking institutions, trading concerns, and manufacturing plants in China of about \$155,000,000 (two-thirds of which is in Shanghai), and in Japan of about \$16,500,000 with an additional \$178,000,000 invested in Japanese concerns. In these commercial activities and in cultural pursuits, 2,715 Americans reside in Japan and 6,875 in China (of whom 3,500 are in Shanghai). When fighting breaks out in the area immediately adjoining the foreign settlement in Shanghai, it is, therefore, easy to understand why our Government should be apprehensive.

Political

The commercial facts described above have loomed large in the formulation and maintenance of our Far Eastern policy and may today be regarded as ultimately determining it. That policy itself, however, has in the course of time and particularly in the present day of striving for peace, become a matter of American pride. In other words, although our policies towards China and Japan originally arose largely from commercial needs, the ideals contained in those policies have now assumed universal importance and so are worth strengthening in themselves almost regardless of their commercial background.

These policies are two. The first is the open door doctrine for which the United States has always stood in its relations with all countries. This doctrine means specifically that American citizens shall have equal commercial opportunities with the nationals of all other foreign countries—that is, that there shall be no political or economic discrimination against any foreign nation or group of nations. In our relations with China we have held under this doctrine that if any one nation gains a commercial advantage by a treaty or agreement, that advantage shall immediately be shared by all other nations; and that China's territorial and administrative integrity shall be maintained. This open door doctrine has often been reiterated by the United States and has at certain periods in the history of the last century been agreed to by other nations. But it was not until the Washington Conference of 1921-22 that it was carefully defined and universally accepted and made a concrete part of the Far Eastern diplomatic structure in the Nine Power Treaty.

Our second policy is a newer one, the renunciation of war as an

instrument of national policy. It became universally effective in the summer of 1929. By it the contracting parties declared "that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relation with one another" and "agree that the settlement or solution of all disputes or conflicts of whatever origin they may be, which may arise among them, shall never be sought except by pacific means." In that every nation on the Pacific Ocean is party to this Pact, its application to the present Far Eastern crisis is evident. The development of the American stake in the Far East which we have described depends upon the preservation of peace. It is for this reason that our Government has placed such emphasis on the Pact of Paris.

When our relationship to the Far East has been thus analyzed, it becomes evident that every one of us has either a direct or an indirect concern with events across the Pacific. If we are not holders of Japanese municipal bonds, we are contributors to the Y. W. C. A. in China; if we are not importers of silk, we have read "The Good Earth;" if we are not concerned with the soya bean in Manchuria, we are interested in a cotton plantation in Oklahoma which depends on the Japanese market. If none of these things plays a part in our daily activities, it is safe to assume that we are vitally concerned with the maintenance of peace and the development of machinery adequate to cope with the disturbances recurrently arising.

CHAPTER II

THE COURSE OF THE CONTROVERSY IN THE FAR EAST

In turning to a description of the conflict we are in the position of writing history as it is being enacted. The difficulties involved are great and are important to bear in mind for they point to the fact that we cannot place too great reliance on our conclusions and judgments. The best we can do is to take into consideration as many as possible of the elements contributing to the situation and on this basis tentatively make up our minds, always reserving the right to change our opinions as to what are the true facts in the light of new evidence. A description of the conflict is perhaps more difficult than the analysis of its causes which is attempted in the next chapter. Such a description is handicapped by the difficulty of sifting authentic from prejudiced reports of events. Official statements from the Chinese and Japanese Governments are quite naturally biased. Furthermore those groups which have the most vital stake in the outcome and have, therefore, a definite "case" to present, are just those which have provided the bulk of literature, speeches and pamphlets on the subject. Finally, we have so far not had a report from the international and impartial League of Nations Commission now in Manchuria.

Against the background of the economic, political and legal difficulties which will be described in the next chapter, we may turn to that place in the Far Eastern conflict which corresponds to the assassination at Sarajevo marking the opening of the Great War. A series of "incidents" arising out of the conflicting interests of Chinese and Japanese in Manchuria culminated in two, which, coming as they did at a time when the patience of Japan was about exhausted, were magnified out of all proportion to their intrinsic significance. The first may be said to have provided the oil to an already large pile of inflammable material, the second to have furnished the spark that ignited the conflagration.

The Nakamura Case

In the spring of 1931 Captain Nakamura of the Japanese army wandered into Inner Mongolia, the country just west of Manchuria and intimately connected with it economically. One cannot state

definitely what was the purpose of his journey for the reports are conflicting. It may usually be assumed, however, that an army officer does not penetrate such country without some reason closely connected with his profession, and so we may reasonably suppose that he was reconnoitering in order to map the lay of the land. He travelled as a civilian and probably with more than one passport. It has been variously reported that he carried documents identifying himself as a doctor, a commercial trader, and a soldier; it is perfectly reasonable to suppose that he carried all three identifications each to be used when convenient. All modern armies employ similar methods, and fascinating stories can be told of American officers investigating Chinese fortifications and regions under disguise. Stopping at a small inn in Inner Mongolia, the Japanese captain became involved in an altercation over a small gambling debt with some Chinese. Apparently with the intention of protecting himself by scaring off the Chinese, the captain drew his revolver and shot into the ceiling. Thereupon the Chinese hurled themselves upon him and beat him to death. Little would ever have come to light concerning the episode had not the Chinese in this little Inner Mongolian village begun to squabble among themselves over the division of the loot obtained from the dead captain. The row became so energetic that the story of the incident soon spread. It then became an important diplomatic issue, a faction in Japan demanding that the incident be used as an excuse once and for all time to teach China a lesson. The episode had the additional feature of involving a Japanese army officer and thereby, according to old military traditions familiar in all countries, the honor of the Japanese army. For months negotiations dragged on, the Chinese being slow and evasive in meeting the Japanese demand for the punishment of the murderers and the Japanese military group becoming more and more impatient. The danger that over this issue hostilities might begin was narrowly averted by the fact that the Chinese authorities satisfactorily met the Japanese demands on September 17.

It might be said with reference to this incident and the one to be described below over which fighting did commence, that of such stuff are wars made. It must be remembered, however, that these incidents would have received little attention had it not been that more fundamental consideration between Chinese and Japanese had raised the tempers of both peoples to the breaking point when episodes such as these are magnified beyond their true importance.

The Incident of September 18

The spark that ignited the conflagration occurred during the night

of September 18 on the tracks of the Japanese South Manchuria Railway, a short distance north of the city of Mukden. It consisted of an explosion which cracked the fishplate at the junction of two rails, damaging the rail flange for two feet each side of the junction and knocking a few splinters off a wooden sleeper. It will probably never be clear who set off the explosion. The Japanese obviously say that Chinese soldiers did, and that the subsequent military occupation of the area by the Japanese army was an act of self-defense against a situation so grave as to cause the explosion of September 18. The Chinese, with equal obviousness, accuse the Japanese themselves of provoking the incident, in order to furnish an excuse for military aggression which had long before been planned. The neutral observer has no evidence on which to judge the merits of the two positions. It has been established, however, that the damage was so slight as to permit a train to pass the spot at normal speed shortly afterwards. The question as to who provoked the incident is not important. What is significant is the tension already existing which made it possible for this tiny explosion to have world-wide repercussions.

During that same night the Japanese military machine went into action and with a minimum of resistance, Chinese troops having been previously withdrawn, occupied the city of Mukden and half a dozen other strategic points in south Manchuria. It is important to note that not only foreign countries but the Japanese civil Government in Tokyo were surprised by the suddenness and extensiveness of this military move. The Tokyo Government had for months repeatedly made it plain that, although annoyed at Chinese resistance to Japanese interests in Manchuria, it intended to pursue a policy of conciliatory diplomacy in settling outstanding issues. It could not but have been startled, therefore, to discover on the morning of September 19 that the army, on the excuse of the incident just described, had taken matters into its own hands and was seeking a settlement by military methods. The Tokyo Government faced with a *fait accompli* had no choice but publicly to support, though mildly, the military move, while privately striving to regain control of the destiny of Japan. The events of succeeding months, however, show that the civil government failed in this endeavor. Repeatedly the military acted on its own initiative, repeatedly the civil government at Tokyo was faced with an accomplished fact. Thus is explained the inconsistency between the assurances of the Japanese Government given the United States and the League of Nations and the actual activities of the military. There is no reason to accuse the Japanese Government of duplicity; there is every reason to suppose

that its promises and declarations of policy were sincere. On the other hand, it is evident that from September 18 on, it was not the Tokyo Government that ruled Japan, but a dynamic and forceful group of militarists bent once and for all on settling the Manchurian problem.

Although the modern temper of the public in the United States abhors such military aggression and the natural tendency is to condemn the Japanese army, the reader is asked to suspend judgment until the more fundamental factors in the Sino-Japanese dispute can be presented in the next chapter. This is not urged in the hope that the reader will take a pro-Japanese view of the matter, but so that no conclusion will be reached until as many factors as possible, and more particularly basic factors, have been taken into consideration.

The Power of the Military in Japan

It is necessary to examine the peculiarities of the Constitution of Japan which make it possible for the military to pursue an independent course of action. Unlike other modern governments, the Japanese military branches are to an important degree independent of the civil branches. Whereas such governmental departments as finance, interior, commerce and foreign affairs can only approach the Emperor as a group through the Prime Minister, the army and navy can approach the Emperor independently. This distinction becomes significant only when it is realized that the Japanese Emperor holds a unique position towards his people. The Japanese Empire is in a very real sense the personal domain of the Emperor and hence the defense and protection and promotion of that Empire become the Emperor's personal concern. It being the military branches of the government which are particularly concerned with these matters, they enjoy through immemorial traditions and custom an unusual degree of independence, subject always to the approval of the Emperor. It might, then, be argued that if this is so the entire burden of responsibility for the present events rests on the Emperor. This, however, is not true for the Japanese Emperor, up to the Restoration in 1867, had for nearly two thousand years been the puppet of powerful clans, feudal potentates, and military chiefs, and, although the Restoration restored the Emperor to a dominant position, old traditions were not wiped out over night. That the present military group in Japan has the power to exert enormous influence over the Emperor is undeniably true.

After the later fighting at Shanghai, it became clear that in Japan the army party was following a policy which was not simply one of militaristic jingoism. The depression had struck Japan severely, and the

worst sufferers were the workers, the farmers and the middle classes. Revolutionary political parties were banned, but a vague form of national fascism had taken root in the army and among the people at home. Expressing a distrust of Japan's corrupt party system and of the power of large financial interests, the leaders of this fascist movement have consistently urged an aggressive Manchurian policy, in the hope of alleviating domestic troubles by large colonization and industrial development in the conquered territory. Financial interests, who clearly saw that they would have to pay the bill, were opposed to this policy, as later they were to oppose the plan of military action at Shanghai. The fascists, however, held command of the army abroad and of bands of ruffians and assassins at home, and the development of conflict in China from September on was paralleled by struggle within Japan itself between these elements.

Thus, from the Japanese side, it is very easy to understand why events took place as they did. It has been parenthetically mentioned that when the Japanese forces occupied the strategic position in South Manchuria, there was a minimum of fighting because the Chinese troops had already been withdrawn. It had become increasingly apparent that some sort of trouble was brewing in Manchuria and, that when it broke out, regardless of whether or not Chinese soldiers started it, the Chinese did not want their troops involved. In the first place, they knew their armies to be no match for the Japanese, and in the second place, their position would be much stronger diplomatically if they could put all apparent responsibility for whatever might happen on the Japanese. The part played by a further factor, the insecure position of Chang Hsueh-liang, the young Marshal of Manchuria, in his own domain, will be discussed later.

The Extension of the Occupation

Without going further into the causes of the conflict than these immediate ones, the sequence of events may be quickly traced. The Chinese Government at Nanking immediately placed its case before the world, specifically before the Council of the League of Nations then in session in Geneva, and the United States Government. The Japanese military, stating that it was acting in self defense against the growing bandit menace, widened its area of occupation in Manchuria. Important steps in this action were the bombing of Chinchow to the south-western part of Manchuria, the seizing of Harbin and Tsitsihar in the north, and the movement through Chinchow to Shanhaikwan on the Great Wall. By the second week in January Japan dominated about

200,000 of the 382,000 square miles of Manchuria, including a vast network of Chinese railways, important cities and their public utilities and financial resources, and a land important in natural and agricultural wealth. Separatist movements fostered by the Japanese began to spring up a few weeks after the military occupation. Japan declared openly its intention permanently to oust Chang Hsueh-liang and his regime from Manchurian politics, at the same time lending support to other Chinese groups in Manchuria more amenable to Japanese domination. This separatist movement culminated in the formal inauguration of the new state of Manchoukuo under the ex-Emperor, Henry Pu Yi, on March 9.

In the meantime Chinese resistance was strengthening. Diplomatically, the Nanking Government placed its entire case in the hands of the League and the United States. Politically, it made strenuous attempts to unite separatist movements south of the Great Wall, but serious obstacles were encountered. In the Peiping region to which Marshal Chang Hsueh-liang had withdrawn, there was intense feeling against his non-resistance to the Japanese. Fostered by militant students demanding military resistance in Manchuria, the wave of sentiment certainly weakened Chang's position and hence that of the Nanking Government with which Chang was allied. In the south, the Canton region, an independent government had been set up in the early summer of 1931 in opposition to the Nanking Government which was dominated by Chiang Kai-shek. In the face of the common national enemy, Japan, efforts were made to merge the Canton and Nanking Governments so that the country could present a united front. Due to a complicated set of internal problems, hinging largely on personal relations and to a less extent on policies, negotiations repeatedly failed to unite the factions. Finally, in December, upon the resignation of Chiang Kai-shek from Nanking, the Canton Government dissolved and became merged with a new government set up at Nanking. The course of this new government was stormy and for several weeks nothing short of a dismal failure. Financial and political bankruptcy was imminent, but was averted by a new coalition of the dominant personalities, including Chiang Kai-shek and his finance minister, T. V. Soong. Separatist movements have again appeared in recent weeks, the seriousness of which cannot now be estimated.

The Chinese Boycott

It might be supposed that faced with such a national catastrophe, the various factions in China would have united for the sake of strength.

It is not so much in the political field, however, that we must search for this reaction, as in the economic. In contrast to the continuing independent play of political forces, the nation-wide boycott of Japanese goods has been phenomenal. The boycott began in August as a protest against the murder of several hundred Chinese in Korea. The Korean incident had followed upon a bloody dispute between Chinese and Korean farmers over land rights in Manchuria near Changchun. The boycott, however, did not become seriously effective until the Japanese occupation of Mukden and other Manchurian cities on the night of September 18.

Chiefly as a result of the refusal of Chinese merchants and citizens to buy Japanese products, China's imports from Japan from September to December, 1931, were 65% lower than for the same period of the preceding year, and for January, 1932, 68% lower than for January, 1931. This has been a serious blow to the Japanese textile industry which usually exports a large quantity of goods to China, to paper and flour interests, and to the entire Japanese sugar industry. Japanese owned spinning mills in China itself, involving an investment of over \$100,000,000, during October were able to continue partial operation by securing markets outside China, but in November all the Japanese mills in Shanghai and others in Northern China closed their doors. In the same way Japanese ships, which normally control about 27% of all the shipping along China's coasts and rivers, were boycotted and either forced out of business or to operate at a loss. Chinese managers employed by Japanese firms in China resigned, taking with them the multiple contracts with their own people which they alone could command. Japanese banks were boycotted, and small Japanese and industrial units completely snuffed out. This boycott was the direct and immediate reason for the fighting in the Shanghai area. To the Japanese the action of the Chinese was tantamount to war—war, that is, of a form peculiar to China. The Japanese, therefore, replied with their weapons of war, the army and navy. There were, of course, other immediate causes for the Shanghai episode but they were less important than the boycott. One of them was the lack of political stability in China. Another was the situation in Japan itself. The army had walked off with honors in Manchuria. A great wave of expansionism had swept the people. There was now a chance for the navy to make its contribution.

The Japanese Ultimatum

Japanese residents of Shanghai, on the basis of the above factors

which threatened their economic interests and even their personal security, on January 20 requested the Japanese Government to send vessels and military units for the complete suppression of the anti-Japanese movement. On the same day the Japanese Consul-General presented to the Mayor of Greater Shanghai demands calling for (1) a formal apology for an attack on five Japanese which had occurred on the 18th, (2) the immediate arrest of the assailants, (3) payment of hospital bills for the injured Japanese, (4) adequate control of anti-Japanese movements, and (5) the immediate dissolution of all anti-Japanese organizations engaged in fostering hostile feelings and anti-Japanese riots and agitations. On the following day the Mayor expressed his willingness to consider the first three points, but found difficulties in complying with the last two. The Admiral commanding the Japanese naval forces at Shanghai threatened to take appropriate steps to protect the rights and interests of Japanese unless the Chinese complied with the demands, and on the 24th he issued an ultimatum to the same effect. In the meantime, Japanese naval forces had arrived in considerable strength and Chinese troops had been massing nearby.

On the morning of the 28th the Japanese Admiral notified the Commanders of other national defense forces, which were permanently stationed in Shanghai, to protect the International Settlement, that he proposed to take action the following morning if no satisfactory reply had been received from the Chinese. Thereupon the governing body of the International Settlement declared a State of Emergency, which in effect gave notice to the commanders of the various national forces that they were to be prepared to defend their sectors.

On the same day, however, the Chinese Mayor accepted the Japanese demands, and the Japanese Consul-General officially declared that the reply was entirely satisfactory. But, just as in Manchuria the immediate issue was only incidentally connected with the opening of hostilities, so in Shanghai the actual issue involved in the Japanese demands had been satisfactorily closed several hours before the battle commenced. Just as in Manchuria it was the heightened tension of public feeling arising from fundamental causes which made it possible for incidents to assume an exaggerated importance, so in Shanghai feeling was aroused to such an extent that the sequence of events could not be stopped. Accordingly, despite the satisfactory conclusion of the diplomatic issue, the Settlement authorities agreed that the State of Emergency should be maintained. British, American and Italian troops proceeded to occupy their sectors.

The Battle of Shanghai

The Japanese sector consisted in the whole northeastern area of the Settlement and areas outside the Settlement proper in which many Japanese citizens resided. In occupying these regions Japanese marines clashed (one might say inevitably clashed) with Chinese soldiers. The minute the first bullet was fired the course of the succeeding weeks was determined. Japanese troops could not withdraw and leave thousands of their nationals at the mercy of infuriated Chinese troops. There can be no question but that the Japanese commander was confident that with his small force of thirteen hundred marines he could quickly frighten the Chinese troops away. When, during the first hours of fighting, the Chinese troops unequivocally demonstrated their bravery, fighting ability, and determination to defend their country against the enemy, the Japanese must have realized their mistake—but too late. Once fighting had started, withdrawal was out of the question. Not only was the national honor of Japan involved, but the safety of thousands of Japanese residents in Shanghai. Faced with an overwhelming Chinese force, the Japanese commander had but one choice, to employ to the utmost his one great advantage over the Chinese, namely, instruments of warfare in the form of airplanes, artillery and bombs. His only chance was to devastate the area and so avert the destruction of his troops and citizens long enough to enable heavy reinforcements to come from Japan. Thus occurred the destruction of a wide area of Shanghai, and the slaughter of thousands of defenseless Chinese civilians.

Heavy naval and military reinforcements from Japan arrived in a few days and then began the long drawn out struggle which ended in the Chinese retreat thirty-four days later. The military technique of the Japanese has been seriously criticized as being inexpert. Observers have been unanimous in condemning the entire episode. Even Japanese officials themselves have publicly declared the battle of Shanghai to have been a gross and tragic blunder.

Unexpected Chinese Resistance

The initial success of the Chinese army under the leadership of General Tsai Ting Kai aroused Chinese national sentiment to an unprecedented pitch. The eventual retreat of those troops from the first line of defense before the better equipped Japanese was a foregone conclusion to foreign observers and probably to the Chinese leaders most intimately connected with the military action. As soon as the necessity for the retreat became evident, political enemies of Chiang

Kai-shek were able to use it to turn popular sentiment against him. They repeatedly accused Chiang of failing to support General Tsai and of betraying the country. To what extent such accusations were justified or to what extent they were the fabrication of leading Cantonese in Shanghai for their own political benefit, it is still difficult to determine. Several factors, however, which have an important bearing on this point can be definitely stated.

In the first place, from a military point of view, the Japanese attack at Shanghai was not the only point of danger. Japan had also threatened, or so the Chinese believed, other points, such as Tientsin in the north, Hankow and Nanking up the Yangtze River, Amoy and Foochow along the southern coast, and Canton. Communist troops, moreover, continued to threaten a vast area south of the Yangtze. In northern China separatist movements were nascent and might at any time require punitive measures. The Government, therefore, had to dispose of its forces with a whole national defense scheme in mind and not with reference to Shanghai alone.

In the second place, Japanese naval forces had such control of the Yangtze River that the mobility of Chinese troops was seriously curtailed. Inasmuch as the bulk of these forces were north of the river, and Shanghai is south of it, bringing them into the conflict was out of the question. We know, finally, that two of Chiang Kai-shek's crack divisions, the eighty-seventh and eighty-eighth, did take an active part in the fighting at a most crucial point in the battle.

CHAPTER III

THE CAUSES OF THE CONTROVERSY

Throughout the preceding section we have emphasized that the events and incidents of the controversy are merely the surface manifestations of more fundamental pressures. The events which we have just described, though often suggesting underlying causes, are not those causes themselves.

What were the causes of the present conflict in the Far East? That is the question to which we must address ourselves in this chapter. It is a difficult question to answer. It takes us to the political, legal, social and economic background of Manchuria, historical and present. It takes us to the relations of these factors to the remainder of China, to Japan, and to Russia. Other countries of the world are involved to a much less important extent.

We shall first outline the political history of Manchuria, occasionally interrupting the narrative to describe a treaty now in dispute. This will lead to the basic economic and social factors. A short summary will attempt to draw together the various pressures involved.

THE POLITICAL HISTORY OF MANCHURIA

Just as the United States Far Eastern policy was formed primarily for the promotion of American commerce, so the political policies of China, Japan and Russia towards Manchuria have arisen principally from economic forces. It has been suggested in the first chapter, however, that the political and diplomatic policies and machinery established by the United States in the furtherance of its economic interests in the Pacific have in a real sense become ends in themselves. Thus, whereas it could be maintained that the Paris Pact resulted in large part from a conviction that peace was essential to economic welfare, it is also generally recognized that the Pact embodies ideals which in themselves are worth promoting almost regardless of their economic basis.

Especially in the case of China and her northeastern provinces of Manchuria, political aspirations have assumed an important significance of their own. Vis-a-vis the rest of the world in the Chinese movement to abolish unequal treaties, Manchuria forms an integral part of China.

One of the problems involved in this movement, to take an example, is the system of extraterritoriality whereby the citizens of foreign countries residing in China enjoy the jurisdiction of their own consular courts. Whereas throughout China there has been a strong tendency to eliminate this foreign privilege and foreign countries have indicated their willingness to comply when they deem the time appropriate, in Manchuria Japan has repeatedly attempted to strengthen and extend this privilege. Chinese have taken the position that Manchuria cannot be made an exception in the general movement to abolish extraterritoriality and have therefore strenuously resisted Japan's attempts. Thus, with respect to Manchuria, the Chinese determination to abolish extraterritoriality has become an end in itself.

The same may be said of China's endeavor to abolish foreign concessions and settlements in China. Any step taken by Japan to extend its concessions or settlements in Manchuria is felt by Chinese to be inconsistent with the movement throughout China in the opposite direction.

Japan, too, has become involved in the defense of political policies and activities in Manchuria which have assumed a significance beyond the economic conditions from which they originally arose. Treaties concluded by China and Japan in the past, but which China declares to be invalid, are energetically upheld by Japan as a matter of political principle.

The First Chinese-Japanese War

It was in the last decade of the nineteenth century that Chinese and Japanese economic interests in Manchuria first reached a point of intense conflict. The Sino-Japanese War of 1894-95 resulted in an overwhelming victory for Japan. Included in the Treaty of Shimonoseki, which closed the war, was a clause ceding to Japan the Liaotung (now Kwantung) Peninsula, southernmost tip of Manchuria. Russian interests in Manchuria, however, were also sufficiently developed so that the Czarist Government refused to look complacently on such Japanese gains. Consequently with the help of France and Germany which shared in this view, Russia succeeded in forcing Japan to accept a large indemnity from China instead of the Liaotung Peninsula. In order to make this plan feasible, Russia, with the help of French bankers, advanced the necessary indemnity funds to China. This financial deal marked the beginning of an alliance between China and Russia, an alliance which meant for China protection against Japanese aggression, but which meant for Russia an opportunity to push forward its own imperialist schemes on the Pacific.

The nine years following the Sino-Japanese War and the Russian nullification of Japan's gains, were Russia's so far as Manchuria was concerned. Already in 1895, the Russo-Chinese Bank was formed, ostensibly as a private undertaking but in reality an agent of the Russian Government, backed by French capital, to exploit the situation in Manchuria to Russia's advantage. In the following year, Witte, the Russian Finance Minister, concluded with Li Hung-chang, the leading Chinese statesman, a Treaty of Alliance which granted Russia the right to construct the Trans-Siberian Railway across Manchuria. By this time, the foreign scramble for concessions and leases in China was in full development, and events proceeded rapidly. By 1898 Russia had secured a lease of the same Liaotung Peninsula from which Japan had been ousted, and agreements concerning the Chinese Eastern Railway were significantly widened. The Boxer Rebellion of 1900 furnished an excuse for Russian troops to occupy the whole of Manchuria, which was to all appearances well on the way to becoming a Russian colony.

The Ascendency of Japan in Manchuria

Beginning with 1902, the importance of Japan in Manchuria began steadily to rise and in a few years to replace that of Russia. Backed by an alliance with Great Britain which was concluded in 1902, Japan gradually stiffened against the Russian tide, which was by this time threatening to engulf Korea also, and in 1904 war broke out. Japan defeated Russia and secured through the Treaty of Portsmouth most of the rights which Russia had been acquiring during the preceding decade. Japan secured the lease of the Liaotung Peninsula, the railroad from Changchun to the sea (which it reorganized as the South Manchuria Railway), its branches and coal mines, and virtual control over South Manchuria.

As far as results were concerned, China's policy of alliance with Russia to resist Japan had utterly failed. Instead of one foreign power, there were now two in Manchuria, and before long they had agreed to cooperate to further their respective ends. By 1910, a convention had been signed between Japan and Russia which amounted to a guaranty to preserve each other's existing interests in Manchuria.

One of the documents of the period just discussed deserves further consideration because the problem it raises is a potent factor in the present conflict and because the validity of the document itself has always been in dispute. Following the Portsmouth Treaty of 1905 between Russia and Japan, Japan entered into a treaty with China whereby the latter agreed to the stipulations of the Portsmouth ar-

rangement. Japan has insisted that to this formal treaty were attached certain secret agreements which it has since held to be as binding as the treaty itself. China has maintained that these alleged agreements do not exist and are therefore, of course, not valid. The most important provision they are said to contain appears to have been an engagement by the Chinese Government that in order to protect the interests of the South Manchuria Railway, China would not construct any railways in the neighborhood of or parallel to that railway or its branches which might be prejudicial to its interests. Summaries of these alleged agreements have been published, but no official text is known. The whole affair is so shrouded in mystery that students of the legal aspects of the Manchurian situation are still unable to determine the status of these agreements. Japan has, nevertheless, continued to object to Chinese railway projects prejudicial to the interests of its own lines in Manchuria. Such objection and China's determination to oppose it were important contributing factors to the outbreak of trouble in September, 1931.

Manchurian Railroads and American Capital

The enormous advances made by Japan in this period endangered the open door policy whereby the nationals of all foreign countries were to have equal commercial opportunities in China. Japan's aggression threatened to create a situation in Manchuria in which Japanese would enjoy a virtual monopoly in the economic development of the region. Attempts by the American financier, W. H. Harriman, to take over or construct a railway in Manchuria to link up with his round-the-world railway project were successfully blocked by Japanese. Similarly, a concession for the financing and building of a short line obtained from China by a British firm never materialized on account of Japanese opposition. In 1909 the American Secretary of State, Knox, proposed a neutralization plan for the railways of Manchuria under international control, or if this scheme were not feasible, an alternative plan for the construction by joint British and American interests of a road running from south to north, the full length of Manchuria. Through Japanese opposition, this time supported by Russia, these proposals also failed to materialize. It was on the basis of this closed door situation in Manchuria and a similar one in the Yangtze Valley region that the United States forced itself into an international syndicate of bankers which became known as the early consortium. Through this international arrangement, it was hoped that foreign powers would cooperate in their policy towards China instead of op-

posing each other. This, as far as Manchuria was concerned, meant placing other foreign powers on an equal footing with Japan. The early consortium was only partially successful in re-establishing the open door; the syndicate finally came to grief through the introduction of political, imperialist influences, chiefly by Japan and Russia. The fact that France was intimately associated with Russian policy in Manchuria through loans, and that Great Britain was allied with Japan in maintaining a *status quo* in Asia, made it unpolitic for France or Great Britain to stand out against Russian and Japanese desires.

In the decade marked by the Great War, Japanese domination of the area continued although complicated by the introduction of other factors. In 1911, the Manchu dynasty in China was overthrown. Repercussions in Manchuria were slight, since power rested in the hands of provincial leaders who had paid only a nominal allegiance to Peking. Chief among these was Chang Tso-lin, risen from the position of a chieftain in the northwestern pioneer regions to a war lord at Mukden, who proved to be no great obstacle to Japanese plans of expansion. He was, in any case, extremely busy cementing his own position while Japan in 1915, through the Twenty-one Demands, was exploiting China's internal confusion to advance still further its power in Manchuria. The Russian Revolution, with the Siberian intervention which followed, still further complicated the political situation. Even the restoration of normal conditions and the Washington Conference of 1921 failed to result in any permanent solution.

The Twenty-one Demands

This brief historical survey must be interrupted again for the further consideration of a disputed document, this time the treaty resulting from the Twenty-one Demands of 1915. As in the case of the secret agreements of 1905, China declares the 1915 treaty invalid and Japan declares it valid. The problems involved in the later treaty, too, were important in the situation immediately preceding the outbreak of hostilities in September, 1931. Taking advantage of a world preoccupied with war and a tottering and corrupt Chinese Government, Japan in 1915 made twenty-one demands upon China for the promotion of Japanese interests and to a large extent at the expense of Chinese sovereign rights. China completely refused even to consider certain of these demands, and they were dropped from subsequent negotiations. The remainder were then presented to China in the form of an ultimatum giving China two days in which to sign, failing which Japan would take whatever independent action it deemed necessary. The

demands were accepted by President Yuan Shi-kai of China, but without the ratification of the Chinese Parliament provided for in the Chinese Constitution. The Chinese have since maintained that the treaty of 1915 was not valid because it was never accepted by the Chinese people through their elected representatives in Parliament; but they had laid even greater stress on the fact that the treaty was forced upon China without provocation by the threat of force. No state of war existed between the two countries, indeed from a diplomatic point of view they were in a state of complete friendship. There was, therefore, say the Chinese, no excuse for an ultimatum and inasmuch as the treaty was signed by the President under duress, it cannot be regarded as valid. Japan holds that the treaty was duly signed by both nations and is legally binding. It is perhaps worth noting parenthetically that the note sent by the United States Secretary of State in the midst of these negotiations is similar in important respects to the now famous note of Secretary Stimson over the present Manchurian conflict dispatched on January 7, 1932.

The important provisions of the 1915 Treaty relating to Manchuria and Mongolia were these: (1) the lease to Japan of the Liaotung, now called Kwantung, Peninsula was extended to 1997, the original lease terminating in 1923; (2) the Japanese lease of the South Manchuria Railway and of the Mukden-Antung Railway were extended to 2002 and 2007 respectively, the original leases terminating in 1939 and 1923 respectively; (3) Japanese subjects were permitted to lease land for commercial or agricultural purposes throughout South Manchuria and to enter, travel, and reside in this region in order to carry on business; and (4) Japanese subjects in the interior of Manchuria were granted local jurisdiction in matters of police and taxation, their own consular jurisdiction in the mixed civil and criminal cases other than land cases, and joint Japanese and Chinese jurisdiction in mixed civil cases relating to land.

Resistance to Japanese Aggression

Since the War, Chinese resistance to foreign domination in Manchuria has grown materially stronger. The construction of a net of railroads in the west, connecting with the projected port of Hulutao, received the support of both national and provincial governments in China, and became the subject of uneasiness for Japan. Chang Tso-lin, however, remained the real power among Chinese in Manchuria, and on the surface, at any rate, his relations with Japan were friendly. It was not until his death in 1928, in a mysterious explosion, responsibility

for which has never been fixed, that Japan's position was seriously threatened.

Another factor entered the Manchuria situation following the War and served also to weaken the Japanese hold on the region. Preoccupation with the War had turned the attention of European countries away from the Orient for four years, leaving Japan and the United States the only interested parties free to take an active part. President Wilson, however, immediately after assuming office in 1913, had taken a strong stand against our continued participation in the international consortium of bankers then existing on the ground that this consortium was being used by other powers to advance their imperialist ambitions in China. During the war, therefore, the United States, although able to do so, was unwilling to take a prominent part in Far Eastern affairs. The result was that Japan had a free hand to exploit China for its own benefit. It did so through application of some of the Twenty-one Demands just described and through a series of political loans to the Peking Government in 1917 and 1918 which threatened to impair Chinese administrative sovereignty. Since the open door policy was endangered by Japanese aggression, President Wilson in 1918 altered his position and requested American bankers once more to form an international consortium for the purpose of controlling the foreign financing of China. Negotiations over the formation of this new consortium dragged on for two years, Japan held out for exclusion from the scope of the consortium of its special interests in Manchuria and Inner Mongolia. Such strong pressure was brought to bear upon Japan, however, and especially from American sources, that the claim to special interests in Manchuria were almost entirely given up. The new consortium was formally inaugurated by an agreement among the bankers of the United States, Japan, France and Great Britain in October, 1920. For eleven years, until September, 1931, it proved effective in stemming the tide of Japanese aggression.

Chinese assertion of sovereign rights in Manchuria continued to develop after the death of the war lord Chang Tso-lin. His son, Chang Hsueh-liang, succeeded to his father's power. He adopted the policy of strengthening the Chinese political administration of Manchuria and of speeding up Chinese economic development. Under his administration extensive railway lines were constructed, and the port of Hulutao commenced—both projects with the intention of wresting the economic control of the region from the Japanese. Shortly after assuming power, he openly declared his allegiance to the Nanking Government by hoisting (against Japanese advice) the nationalist flag over Mukden.

The Chinese Eastern Railway Dispute

A little later, at the end of 1929, relations with Soviet Russia, which had been disturbed for some time, resulted in an open clash. The Chinese Eastern Railway, which had been retained by Russia after the Russo-Japanese War of 1904-5, came into the control of the Soviet Union only in 1924. In that year, treaties were signed both with the central government of China and with the representatives of Chang Tso-lin at Mukden, under the terms of which Russia renounced its extraterritorial privileges, and agreed to a joint Chinese-Russian administration of the railroad. The technical ability of the Russians and the provision under which the General Manager of the railroad is a Russian, gave the Soviets practical if not recognized control. Recurrent efforts on the part of the Chinese to assume a share of this control were strengthened in 1929 by the alleged discovery of evidence showing that the railroad was being used as a base for revolutionary propaganda. The Chinese seized the railroad, but a short decisive movement of Soviet troops forced them to capitulate and the Khabarovsk Protocol, signed in December, 1929, restored the *status quo*. Diplomatic relations between China and Russia, which were interrupted by this conflict, have not since been renewed, but the railroad continues to be administered by a Chinese and Russian Board of Directors with a Soviet General Manager exercising real authority.

In recent years, the relations of Chang Hsueh-liang with the rest of China have remained close and cordial. With his policy of facing back towards China, there has come an inevitable coolness towards Japan. The presence among his supporters of younger men holding the political ambition of a united China, and of older leaders, like his uncle at Kirin, who are more inclined to play the old game of separate politics in friendly relationship with the Japanese, has however confused the political temper of modern Manchuria. The success of Chang Hsueh-liang's policy is perhaps proved by the fact that the groups which now dominate Japan believed the Japanese hold on Manchuria so imperilled as to warrant the resumption of an aggressive policy.

Strategic Significance of Manchuria

Manchuria has, for the nations which surround it, a significance which is primarily neither economic nor political, but strategic. The Japanese, when Korea was annexed, called it a spear-head pointing at Japan, and Manchuria is the shaft of the spear. For the Russians it is a spur which cuts the Maritime Province with its port of Vladivostok from the straight line to Russia. Soviet military experts agree

with their imperial predecessors that defense of the whole Far Eastern District would be almost impossible without control of the Chinese Eastern Railway. In both countries, memories of the Russo-Japanese War and of the Japanese occupation of Eastern Siberia from 1918 to 1922 are still fresh. During the occupation of Manchuria in 1931, there were many in Japan who said that one of the real motives behind the occupation was the conviction of the military party that a war with the Soviet Union was inevitable, and that control of Manchuria was a military necessity to Japan. Informed observers have agreed that the Soviet Union is at present neither prepared nor eager for a test of military strength on its eastern frontier. The implications of the Five Year Plan, however, coupled with the rumblings of revolution in China, are the background against which it has been relatively easy to convince a large part of the Japanese people that national safety demands control of the coal, iron and railroads in Manchuria.

ECONOMIC PRESSURES IN MANCHURIA

Manchuria, only a few generations ago, was still untouched by the forces of the modern world, and even today it remains a pioneer country. It has never been entirely uninhabited, and hordes of nomadic warriors have in the past actually conquered from this base all of China and of Central Asia, and have threatened the frontiers of Europe. In recent history, however, instead of pressure from within Manchuria being directed outward, the pressure has come from outside and concentrated upon Manchuria itself. The last half century has seen the first groundwork laid for an industrial civilization in that area. Three forces have converged upon Manchuria, one from the great plains of China with a population pressure which overflows its normal channels, another from an aggressive Russia thrusting across a continent in quest of railroads and an open port, the third from a young Japan caught up half way in a conscious program of industrialization by the inadequacy of its own resources and its domestic markets. Other nations have played a part in the process of change, but the recent history of Manchuria is primarily the story of Chinese colonization, of Russian railroad enterprise, and of Japanese industrial expansion.

The Land and Its Resources

What is this land toward which these forces have converged? It is a rough triangle to the north east of China, a triangle of open

plains and wood land which has much in common with the central northern states of this country. It is about as big as North and South Dakota, Minnesota, Wisconsin, Iowa and Illinois. The Chinese settlers who push beyond the railroad lines find much the same type of country—rich, rolling grass lands, cut by two mountain ranges covered with enormous forests and by large inland rivers. The climate is also like that of our northern states, with cold winters and hot summers. Harbin, which is the center of North Manchuria, is not much farther north than Minneapolis. Toward the south the climate becomes less rigorous.

It is as grass land and as farming soil that Manchuria has won its present importance in Asia. Only about one half of the arable land is yet under cultivation, but from these farms comes the wealth of the country. The role played by wheat in the development of American prairie lands, however, has in Manchuria fallen to the soya bean, a hardy plant which stands the cold, grows with little rainfall, and produces a large, brown, oily bean. Flour, milk, cheese, soap, rubber, linoleum and fertilizer can be made from soya beans; its oil is one of the world's most important sources of vegetable fats. Almost two thirds of the world's total production of soya beans comes from Manchuria; and over 30% of its farmed land is planted to this crop.

The land will grow other crops, and in those sections where the population has grown most rapidly, soya beans are already being forced out by crops which provide sustenance more directly. Millet, a grain crop, is the chief of these, particularly a variety known as *kaoliang*, which forms the staple food of the Manchurian settlers. Wheat and corn are also grown, and in the southwestern district, Korean immigrants grow rice with success.

On the slopes of the northern mountains, Manchuria has probably the greatest lumber resources of the Far East. In the south, the trees have been cut off as in China, but the extent of the lumber still untouched in the north can only be guessed at. It forms as yet an insignificant industry, but with wide rivers to carry the logs and with vast potential markets in Japan and China, the timber of Manchuria is an important factor in the future of that country. In the western part of Manchuria (in Barga and in Inner Mongolia), cattle raising is of large importance.

The coal and iron deposits of Manchuria, although not to be compared with those of the North Atlantic zone, are of significance in the Far East where these industrial materials are relatively scarce. No definitive estimate has been made of the Manchurian deposits. At

Fushun, near Mukden, is the largest open-cut coal mine in the world, and the shale coal on the surface is a potential but expensive source of petroleum. In North Manchuria there are several unexplored coal fields which may add considerably to the present production which is almost entirely from mines in the south. The same uncertainty exists in the case of iron. Little is known as yet of the deposits in the north. The largest reserves in the south are at Anshan and at Penchihu. The deposits here are far larger than those of either China proper or Japan, but the iron content of the ores is low. Other minerals exist in almost every section of Manchuria. Of these, possibly the most important is gold, particularly in the north. Ceramic clay, lead and copper are also found.

China's Hunger for Land

It is the soil that has drawn the Chinese to Manchuria. For over thirty years, farmers from the crowded provinces of Shantung and Chihli (Hopeh) have migrated northward, looking not for railroads or for iron ore, but for land to grow food and beans. By railroad, by boat, and even on foot, Chinese have streamed into the Manchurian provinces, sometimes more than a million of them in a single year. Many were migratory workers, returning to their homes in the autumn, but many stayed. The result is a population which is today primarily Chinese. Of the 29,000,000 people in Manchuria, about 250,000 are Japanese, 750,000 Koreans, 150,000 Russians, and a mere handful are of other nationalities. The rest are Chinese who have brought with them their language, their farming tools, their civilization, to stamp Manchuria as irrevocably their land.

The manner of their migrating, however, explains the fact that Russian and Japanese forces have not been crushed under the tremendous impetus of these millions of Chinese. For the Chinese in Manchuria has never been a true pioneer. The Chinese farmer has moved north with halting step, and the successful immigrant is still thought to be the man who can clear enough in a few years to return to his home inside the Wall. The first settlers were drawn not only by the land, but by the quick profits promised by opium growing, Russian railroads and Japanese mines. Once a man had made his stake, his goal was to return to his home town in the south. This back flow of the migratory tide has grown less in recent years, but the Chinese has always invaded the wilderness with a spirit of hesitancy.

It has been said that Chinese colonization expands like a drop of oil. Almost three centuries ago, Russian Cossacks had pushed their

way through the Siberian tundra to the Pacific, hardy pioneers looking for freedom in the wilderness. More recently, increasing population pressure has forced the Chinese themselves to seek the open lands of the north. It is only within recent years that the Chinese have finally pushed their way into the farther districts of Heilungkiang, the northern province of Manchuria. But moving slowly, the Chinese have absorbed and colored the land with their own culture and their own folk ways. The Mongols and the Manchus who have stayed in Manchuria after their last conquests of China, are today as Chinese in language and customs as the Chinese themselves.

This colonization process has taken place in the crudest possible forms. No organized system of land settlement facilitated the movement, and no stable government awaited the immigrant. One result of this has been the rise of banditry on a large scale. Outlying villagers, impoverished by war or drought, have turned, naturally, to pillage and robbery. The large standing armies of Manchurian warlords, always poorly paid, were recruited in large part from the bandits, and the distinction in Manchuria between a bandit and a soldier has never been entirely clear.

In most western nations, a pioneer district is an outward expression of expanding forces. The western part of America was conquered by the aggressive pushing outward of the original eastern settlements. In Manchuria, this has never been the case. For many centuries, it was the home of tribes alien to the Chinese, who used it as a base for conquering China. It very early fell under the sovereignty of China, and Chinese civilization has utterly pervaded it, but the tradition of Manchuria as a land of barbarians has persisted even to the present, although the barbarians have become Chinese. The Great Wall, which divides China from Manchuria and Mongolia, has been called a frontier looking inward. This tradition holds strong today among the Chinese farmers of Manchuria.

The Russian Drive for Railroads

Backed by the tremendous expansive force of the Russian Empire, and by a driving hunger for an ice-free port on the Pacific through which to open to the world the wealth of Asia, Russia has for more than a century loomed large on the Manchurian horizon. No one who has seen the massive granite buildings along the Chinese Eastern Railway can fully believe the assurances given by the Czarist Russians when they built it that they had no ambition of permanent occupation.

Beneath the granite and steel of the Imperial Russian thrust, how-

ever, there was only the illusion of strength. It was an illusion built on an autocracy with little real support at home, backed by French capital which was the cement in the structure of political alliances being built by that country in Europe. When the first test of this strength came, in 1904, it crumpled in Manchuria. By the terms of the Treaty of Portsmouth, which closed the war with Japan, Russia retained the northern section of the railroad, with a spur running south from Harbin to Changchun. The country through which this Russian controlled railway ran was, however, relatively removed from the zone of heaviest Chinese migration. The only port through which the produce of the district could be exported by Russians was the partly ice-blocked harbor of Vladivostok. For these two reasons the railroad became an enormous drain on Russian finances, demanding heavy subsidies. The South Manchuria Railway, managed by the Japanese, was far more profitable.

In 1917, with the Russian Revolution, the Imperial bid for Manchuria completely collapsed. It had no roots at home, and the railroads, together with the exiled Russians left stranded by the Revolution, are the only vestiges that remain of the former Russian pressure. The railroads have proved a lasting heritage. With additions built by the Japanese and Chinese, they are now a part of an extensive system, exceeding in mileage the railroads of all the rest of China, and figuring as one of the principal wedges of western industrialism driving into the cultural and economic separation of Manchuria. Linked with good ports and supplemented by river transport, they have been perhaps the decisive factor in opening up the land for colonization, and in increasing Manchuria's foreign trade to its present importance, being one third of China's total trade.

The pressure of Russian people on Manchuria has never been severe. Under the Soviet economy, a program of industrialization and collectivization promises to reduce still further Russia's outward population pressure, by absorbing workers into the cities and increasing the productivity of agriculture. Except for the migration of ideas, which is a new factor in the situation, Russia's pressure on Manchuria in the immediate future seems likely to be exerted through trade. Not only does it furnish a ready market for cheap Russian manufactures which cannot compete in European markets, but the development of Manchuria itself may take place in part through Russian agencies. As the yet undeveloped portions of North Manchuria become settled by Chinese immigrants, the disposal of their produce may very possibly be northward, both because of the superior technical equipment of the Russians

and because of the fact that the entire river system of north Manchuria flows northward into Russian territory.

Japanese Industrial Pressure

When Japan emerged from war in 1905, a surprising victor over the Russian Empire, its domestic economy was in that stage of industrialization which demands new markets and raw materials. In 1868, Japan's statesmen had resolutely determined to develop a strong industrial nation. How much progress they had already made came as a surprise to the rest of the world in the crushing defeat administered to the Russians in 1904. The stringency of Japan's own natural resources was, however, already felt, and the basis was being laid for a policy in Asia which would support the new industrial structure.

The South Manchuria Railway, which the Japanese have developed into an entirely modern railroad, together with the Kwantung Leased Territory, provided a base for the extension of this policy. When Korea was formally annexed in 1910, Japanese capital in still larger amounts was invested on the mainland. Pressure on Manchuria from Japan became an essentially industrial process, in which Japan represented the aggression of the industrial world, with all the power of its machine economy. Iron ores at Anshan and coal at Fushun were developed in an attempt to provide the essential raw materials needed in Japan, and Dairen became a large and efficient port, second only to Shanghai in its share of China's trade. During the war, when Eastern markets were defaulted by the manufacturing nations of Europe, Japanese expansion into Manchuria gained added impetus, and whole industries, like the soya bean pressing industry, were founded almost overnight. Even before the occupation in September, 1931, a constantly increasing proportion of the banking, industrial and large-scale commercial activities of Manchuria was in Japanese hands.

In the colonization process, however, the Japanese in spite of their own problem of a rapidly growing population, have offered almost no competition to the Chinese. The climate of Manchuria is cold, the Chinese settler is willing and able to accept a far lower standard of living than would be acceptable to the Japanese immigrant, and in general, the Japanese have seldom emigrated successfully, even within the borders of the Japanese Empire. Less than a million Koreans have migrated to Manchuria, and less than 300,000 Japanese. Chinese restrictions on the right of foreigners to lease land have been given by the Japanese as a further contributing cause for their failure to establish large colonies in Manchuria.

The Japanese pressure on Manchuria, like the Chinese and the Russian, has the strength and the weakness of its roots in the domestic economy from which in the ultimate analysis it grows. In this respect, the imperial expansion of Japan has shared the difficulties which have disturbed its national economy. Japan has in normal years an unfavorable balance of trade, which must be made up by invisible imports such as shipping charges. This makes the export of capital for colonial development a peculiarly difficult process. When complicated by the intrusion of military factors, which make the development of an iron and steel industry in Manchuria desirable even at very small economic profit, for example, the future of such colonial development is difficult to predict. In the case of Manchuria, Japan's political demands have often been in advance of its economic pressure, as was the case in 1915, when Japan through the Twenty-one Demands attempted to establish its Manchurian position more securely.

Conflicting Pressures on Manchuria

What land hunger has been for the Chinese, what the desire for railroads and access to an ice-free port was to Imperial Russia, the need of iron and coal and food and markets has been to the Japanese. Even if Manchuria can provide no outlet for Japan's surplus population, and this is not yet admitted by Japanese statesmen, it can provide a source of food supplies which Japan must now import, and of the industrial raw materials so essential to a highly developed manufacturing economy. What has come to be called Japan's "right to survive" doctrine is based directly on this economic need. Where the search for these resources has come into conflict with Chinese sovereignty or with Russian ambitions, there has been struggle between them.

Although the three principal pressures converging upon Manchuria have come from China, Russia and Japan, other nations have been far from uninterested in its development. American banks and oil companies, with English railroads and Czechoslovak steel concerns, have shared in the opening up of Manchuria, while soya beans supply the vegetable oil industry of Germany and cattle in Denmark are fed on bean cake. American interest in the affairs of Manchuria began with the transformation of the United States from a capital-importing to a capital-exporting nation, and as the world's interest in the source and control of raw materials increases, the importance of Manchuria in world affairs may be expected to grow.

These, then, are the economic forces which have been brought to bear on Manchuria from the outside: the Chinese need of land, the

Russian drive for railroads, the Japanese search for resources and markets, and the surplus capital of the entire world seeking profitable investment. Each of these forces has its primary meaning in the domestic economy which gives it birth; in this sense the socialized economy of Soviet Russia, the Imperial Steel Works of Japan, and the rediscount rate in European money markets are fundamental causes of peace or war in Manchuria. Further, these economic forces become crystallized in definite political aims and programs, which when accepted widely in public opinion come to have a motivating character of their own, which persists sometimes long after the original economic pressure has disappeared or changed its form. And in the building of these political aims, other factors play a part.

THE PRESENT BALANCE OF FORCES

Not only in the historical experience of Manchuria, but also in the present balance of forces out of which the 1931-32 hostilities have grown, these economic and political considerations have become fused into concrete policies. In the formation of these policies, naturally, China itself plays an important role. Moscow, for example, ever since the Revolution, has with one hand sought to develop an export market in China and to develop the Chinese Eastern Railway on a commercial basis, while with the other it has applauded, and sometimes aided, the Chinese revolutionary movement in one or another of its forms. Aside from military considerations, the ownership of the railroad is in many respects a questionable asset, and at least once Soviet leaders have tried to dispose of it. To be involved in the imperialist exploitation of a neighboring country is a role that is not easy for Moscow to explain, and only the assurance that its surrender would not help the Chinese revolution has continued the Russians in control. Regardless of the distinction between the Third International and the Soviet government, it seems likely that Soviet Russia will continue to be more interested in the possibility of revolution in China than in any profits to be derived from exploitation of the railroad. So long as power in Manchuria continues to be held by interests inimical to Soviet Russia, conflict such as that which broke out in 1929 is a constant danger. In the long run, however, the Russians themselves appear to realize that their interests lie more truly in the process of absorption which they have begun in Turkestan and Outer Mongolia.

Similarly, the Japanese pressure on Manchuria cannot be considered independently of the Japanese stake in the rest of China or of the

policies which have already developed from both. Far-sighted Japanese statesmen have seen the inevitable dependence of an industrial Japan upon the raw materials and the markets of continental Asia. China is at the present time second only to the United States as a market for Japanese exports. Its potential importance, granted a period of peace and economic development, can only be guessed at. At the same time, as a source of raw materials, it has enormous possibilities which are as yet untapped.

The interrelation of an aggressive Japanese policy and of Chinese boycott of Japanese goods throws into clear relief the implications of this policy for Japan. The more successful Japan has been in securing Chinese territory or resources, the more effectively has the boycott closed down on Japanese products. The Japanese have claimed that boycotts in China are a kind of racket, and the Shanghai expedition of 1932 was not the first attempt to break a boycott by the use of force. It is, however, of little importance to Japan whether the boycott is spontaneous or fostered by deliberate propaganda and the use of coercion. In either case it has proved extremely costly. Ever since 1905, when the modern boycott was first used by China, it has been China's principal weapon with which to defend itself against foreign aggression.

The question of where Japan might gain the greater economic advantage, by an aggressive policy in Manchuria or by friendly development of markets south of the Great Wall, cannot be answered by statistics. The Japanese investment in Manchuria is estimated at nearly \$1,000,000,000 and although the iron mines at Anshan may never be exploited profitably, they still remain the nearest source of ore for an industrial economy with a large domestic deficit in iron. On the other hand, 68% of Japan's exports, excluding raw silk, are sold in continental Asia, and over 90% of some other industrial products, like manufactured cotton, goes to the continent. It is at least certain that if the cost of war and of military and naval armament is considered in the balance sheet, the army leaders of Japan have chosen an expensive policy.

Finally, the economic and political relations of Manchuria itself with the rest of China must be considered. To many Chinese, Manchuria is an integral part of their country, but a border district still inhabited by barbarians. The weakness of the sovereignty exercised over Manchuria by the central government of China, which the Japanese have cited as one reason for their action, is rooted deep in historical tradition.

At the same time, the impact on Manchuria of new forces from the west and the growth within China proper of the nationalist spirit are forcing constantly increasing modifications in this traditional relationship. In trade, transport and industry, Manchuria has developed rapidly, both under the Japanese administration of the Kwantung Leased Territory and through the expansion of Chinese enterprise. There can be little question that local government in Manchuria, unsatisfactory as it was to the Japanese, has marked in recent years a significant advance over earlier administration and over the administration of several provinces of China proper.

The leaders of the Nationalist (Kuomintang) Party in China proper have supported those interests in Manchuria which have been responsible for this modernization, and the alliance between Chang Hsueh-liang and Nanking has been the political result. Although it is too early to predict the eventual fortune of these leaders, they have retained the title of central authority in China for some years, and throughout the Shanghai fighting, although few foreigners could state with conviction which political factions were supporting the Chinese defense, the Chinese position was stated in Geneva, Tokyo and Washington by their spokesmen. In Manchuria, leaders who represent the older relationship between their country and China, may find the recently organized state of Manchoukuo a workable political organization.

CHAPTER IV

UNITED STATES AND LEAGUE POLICY

When, in the night of September 18, 1931, the Japanese military machine was thrown into gear to occupy the key positions of Manchuria, it was clear at once that the situation was one of considerable interest to the outside world. Although it appears that the Foreign Offices of the United States and European powers were singularly unprepared for the explosion, the extent of foreign investments in the Far East and the increasing public interest in peace were sufficient to insure front page space for the dispatches from Mukden.

There were, on the other hand, in public opinion in the west, factors which tended at least to shift the accent, if not to diminish it. The chief of these was the depression which constituted the major problem in every country of the world, and which furnished no immediate inducement for gallant sacrifices in the cause of ideals. Also, conservative governments in Europe determined to defend the post-war treaty system, could not but be sympathetic with the Japanese position that their action was to protect existing treaty rights with China. Finally, the Great Powers, engaged in the maintenance of their own imperialist policies throughout the world, were naturally reluctant to condemn a similar policy on the part of Japan. For these reasons the peace machinery which existed was not used to its fullest effectiveness.

It is at the same time true that this peace machinery was at several points inadequate. Old-style diplomacy, as practiced in China by the United States in cooperation with Great Britain and any other powers which happened to be interested, was patently ineffective. The new style diplomacy represented by the Council of the League of Nations, which was in session in Geneva when the explosion occurred, was concerned with European difficulties, and was hardly free to move effectively in the Far East without at least the cooperation of the United States. Only the roughest mechanism was available for such cooperation. Finally, the one power with interests most similar to those of the United States in the present crisis, the Soviet Union, in spite of the immediacy of its concern with fighting which threatened its frontiers, was effectively excluded from participation in either the new or the old form of joint action because it is not a member of the

League of Nations and has not been recognized by the United States.

Close American Cooperation With the League

Under such circumstances, it is small wonder that joint action produced such small results. Five days after the incident, on September 23, the United States had asserted its legitimate interest in the situation in notes to both China and Japan, and on the following day it had allied itself with the attitude taken by the League. On the surface of events, it appeared that the world had made a good start, and that collective action might for the first time arrest an incipient major conflict.

During the autumn months, while Japanese soldiers were so effectively taking over Manchuria, the cooperation of the United States with the League Council grew steadily stronger. On September 30, the League Council passed a resolution in which Japan concurred, calling for withdrawal of troops to within the railway zone, and the United States publicly approved the action. The Japanese military had evidently understood the situation clearly when they made their plans, for the bombing of Chinchow on October 8 produced nothing more serious than a further exchange of notes between the United States and the League. Mr. Stimson, the United States Secretary of State, was at the same time addressing the Japanese Foreign Office in notes which were not published until later, in order not to discredit any moderate and liberal faction in Japan, but which left no doubt that the United States was in full sympathy with the position of the League.

The climax of this cooperation came when Mr. Prentiss Gilbert, the United States Consul-General at Geneva, was authorized and invited to sit with the Council at its meeting in the middle of October. On the 24th of that month, the Council adjourned after passing a resolution over the sole dissenting vote of Japan, calling for the evacuation of Japanese soldiers before November 16. On November 5, Secretary Stimson strengthened this resolution by associating his government with it in a note to Japan, although he did not specifically demand evacuation.

The optimism resulting from such apparently effective cooperation was dissipated only by the fact that the Japanese, far from evacuating, were preparing to invade the politically dangerous zone of the Chinese Eastern Railway. There can be little question, when the development of policy is viewed even in short perspective, that cooperation was simple only when it was confined to purely tentative and surface actions.

The League Commission and the Stimson Doctrine

The shift within American policy from November 16, when Ambassador Dawes replaced Mr. Gilbert as the American representative, may in part be explained by the growing insistence within America that more effective steps be taken. This shift represented a return to the old-style Anglo-American cooperation as against collective action through the League. The Council wound up its labors by appointing a commission to investigate on the spot and to make recommendations to the Council. This commission was given the official approval of the United States Government and General Frank McCoy was appointed a member.

Unfortunately, the old policy of Anglo-American understanding proved to be no more effective than the meetings of the League Council. Its only fruit was the Stimson note of January 7 declaring that the United States cannot admit the legality of any situation or of any treaty resulting from action in violation of the pact of Paris. Unfortunately, the note evoked no immediate European echo and Japanese militarists could be certain that again, as far as essentials were concerned, the concert of nations was an empty phrase.

The Shanghai battle, although it involved both foreign investments and the world's stake in peace to a far greater extent than the conflict in Manchuria, revealed the same conflict of interests and desires among the Powers. At first, the old-style diplomacy was tried, culminating in a joint proposal submitted to Japan, by the United States, Great Britain, France and Italy on February 2. The Japanese rejected it, and the fighting continued. Foreign consuls and admirals were vested with discretionary powers, in order to protect the lives and property of foreign citizens. On February 24, Secretary Stimson published a letter to Senator Borah which virtually refused in advance to recognize any political adjustment which might result from the hostilities. The letter, which reasserted the allegiance of the United States to the Nine-Power Treaty and the Kellogg-Briand Pact, has been subsequently criticized as establishing a policy too inflexible to admit the factor of inevitable change in international relations. It did, however, leave the door open for a future restatement of the American position when the atmosphere is propitious. It further admitted, by implication, the failure of soft words to halt the determined action of an efficient army or to solve problems which lie far beneath the surface of international conflict.

The meeting of the League Assembly in the beginning of March was in a setting of public opinion much more receptive to the idea of embargo against Japan than had previously been the case. In the United States, the movement had attained some impetus, and citizens of standing had petitioned the government to support any embargo, partial or complete, which the League might feel compelled to apply. Small nations in the League made a concerted attempt to apply those articles of the League Covenant which involve the use of economic sanctions such as embargo, but England and France, who had still less to gain and more to lose by forcing action than before, were successful in blocking the attempt. The cessation of hostilities under a temporary armistice agreement brought a lessening of public interest in the crisis, with a shift in the attention of governments from immediate exigencies to the prospects of a permanent solution.

The most important result of the policy of neutral countries seems to be the League Commission at present in China. Domestic causes within China and Japan appear to have forced the armistice as they did the hostilities, and there can be no doubt that the world's confidence in its machinery for preserving peace has been seriously weakened. It is of course possible that, had it not been for the protests of neutral countries, the Japanese military leaders would have pushed their advance still farther. The degree to which they acted independently of the Foreign Office of Japan, however, and the size of the conquest which they have completed, make this seem at best a dubious achievement. What has come to be known as the Stimson Doctrine can take concrete form at present only in a refusal to grant recognition to the new state of Manchoukuo. In terms of modern realities, with United States consuls remaining at their posts and with American merchants and business men actively sharing in the trade and markets of the new state, this refusal must seem a little unreal. What the League Commission may be able to accomplish, it is too early yet to say. If it is successful in investigating the permanent causes of conflict in Manchuria, if it should pass beyond the provisions of treaties and the immediate causes of the controversy to a study of the fundamental pressures in that area which tend toward war, it may render a large service to China and Japan and to the rest of the world.

CHAPTER V

THE WAY OUT

The problems of the Far East are evidently complicated. In importance they range all the way from surface incidents to fundamental questions of domestic economy and polity. To study the causes of the present outbreak one must go far beneath current events. It is necessary to study the social and economic and political basis of Manchuria itself and of the rest of China, Japan, Russia and to a less extent of the other interested countries. It is necessary to understand what forces arose from each of these regions and how they came into conflict. The details of the present disturbance and its course of development depend on the surface factors; its causes may lie deep in fundamental problems affecting not only Far Eastern nations but the entire world.

In considering the solution of the Far Eastern conflict we must address ourselves first to this question: Where along the whole range of the causes of the trouble does the heart of the problem lie? Is the chief set of causes to be found among the surface phenomena characterizing the situation immediately preceding September 18? It is to be found among the economic, political and legal disputes which have marked the last forty years of Manchurian history? Is it to be found in the economic and social systems which center in Shanghai, Tokyo, Moscow, New York and London and out of which have grown the respective pressures of those countries?

When we have determined where the heart of the problem lies, we must then ask, How can these primary difficulties be permanently eliminated? Different groups have already addressed themselves to these questions and have offered different solutions. Depending on their analyses of causes their solutions range from maintaining the *status quo* to revolution. To those who see as the cause of the disturbance merely a temporary upsetting of an otherwise adequate international situation, the solution lies in strengthening the existing order. On the opposite end of the scale are those who feel that nothing short of a complete overthrow of the capitalist system and all its institutions is necessary in order to remove the basic causes of conflicting policies. Between these extremes are groups who see the necessity for implementing

existing diplomatic machinery by adding clauses to treaties, by strengthening arbitration procedure, or by joining the League of Nations and the World Court. There are some who feel that some sort of international control of a disputed and relatively undeveloped territory like Manchuria is necessary. Others insist that more liberal leadership in Tokyo and Nanking and other world centers will solve the problem. Still others demand some form of social and economic change less violent than revolution.

The task for any one interested in the Far Eastern situation is, then, to address himself to (a) discovering the essential causes and (b) finding a solution which will eliminate those causes. In undertaking this task it is helpful to examine briefly the answers given by various groups.

Satisfaction With Existing Peace Machinery

We may begin with those who feel that since the War enormous progress has been made in developing peace machinery to cope with just such threats as the Sino-Japanese trouble. They point with just pride to the Nine-Power Treaty providing for the open door in China, and the territorial and administrative integrity of that country; to the Pact of Paris outlawing war as an instrument of national policy; and to the Covenant of the League of Nations establishing the most elaborate and efficient agency for international adjustment yet known to man and calling, moreover, for definite action on the part of member nations at any sign of danger. They felt, at least up to last fall, that through these agencies international difficulties could be adjusted before reaching a critical stage. In the present conflict they have suffered some disappointment. These agencies have not proved strong enough to prevent the development of the crisis. Yet members of this group remind us that had it not been for these institutions of peace the conflict might have been far more severe and extensive and that war in law as well as in fact might have ensued. They also point to the fact that existing methods of settling disputes by peaceful means must not be too severely condemned for failing to hold in check forces as powerful as those behind the Japanese aggression. They remind us that a League of Nations Commission of Inquiry, which includes among its five members an American, and which is empowered to investigate and report on any circumstance disturbing the peace of the Far East is at this moment in Manchuria and may make the most far-reaching recommendations.

The Capper Resolution

Many statesmen, however, now admit the advisability of perfecting existing machinery and are actively engaged in promoting that objective. As an example of the lines along which they are working we may summarize a resolution introduced early in April in the United States Senate by Senator Capper and referred to the Committee on Foreign Relations. In support of the now famous doctrine enunciated by Secretary Stimson on January 7 and later in his letter to Senator Borah and also officially approved by the League of Nations, the Capper Resolution provides "That it is the declared policy of the United States: (a) not to accept the legality of any situation *de facto* created by breach of the pact of Paris which may impair the treaty rights of the United States or its citizens in any territory affected thereby; (b) nor to recognize any treaty or agreement brought about by means contrary to the covenants of the pact of Paris which would impair the obligations of the pact." A second clause would empower the President, upon determining that the Pact of Paris has been broken, to declare an embargo on arms and other supplies of war and on financial assistance to the aggressor nation. The third clause of the proposed resolution would request the President to call a conference of those nations which have signed the Pact of Paris with a view to securing their agreement upon a treaty supplementary to that Pact which shall define the obligations of the several signatory powers in case the Pact be violated.

Perfecting Embargo Provisions

Another proposal has arisen from the Chinese attempt in the present conflict to apply Article XVI of the Covenant of the League of Nations. This article provides that member states shall break off intercourse with an offending state, applying an embargo against its trade, and then goes on to state that they shall prepare to take military steps as instructed by the Council of the League of Nations. This confusion of economic and military measures has undoubtedly been one of the principal reasons for the inability of the League to act effectively in the present dispute. Certain international lawyers believe that this article should be amended in order to distinguish clearly between economic and military action, and to specify precisely a priority of economic measures such as financial, military and commercial embargoes.

Control of Pressures

Other groups see in such measures nothing more than palliatives which are at best patchwork in an unworkable system. They admit that had provisions such as those embodied in the Capper Resolution been in force last fall, the force of the conflict would not have been so great. The fighting might have been stopped before widespread destruction occurred. As far as such measures go they are good, but they do not go far enough. In the Far Eastern situation, these groups declare, such measures although modifying the intensity of the disturbance, would not have touched the causes. They would have been entirely ineffective in preventing the recurrence of such a conflict. They point out that such instruments for the preservation of peace can be employed only after signs of danger are already in appearance. The instruments are then put to use to prevent the further development of hostilities but not to eradicate the causes of conflict.

People who hold this view are likely to feel with regard to the present trouble, that any measure short of dealing with the pressures which make up the Manchurian problem are futile. They suggest that some way must be found for controlling the impact of Chinese, Japanese, Russian and other interests in Manchuria. Apparently, they say, the inhabitants of Manchuria are not able to administer their own territory in such a way as to avoid these conflicts. At the same time it would be unjust to demand that Japan and Russia cease to have economic interests there. Every nation has the right to live, they believe, and if its own resources are not sufficiently plentiful to provide the needs of its population, each nation has a right to turn to neighboring areas with a surplus of food and minerals. Nevertheless Manchuria must be guarded against oppressive exploitation by China, Japan or Russia. Therefore, these people say, we must help to work out internationally a system of administration in Manchuria (and all such disputed areas) whereby resources are developed in the interests of all concerned.

The concrete suggestions proposed to deal with these basic social and economic pressures are numerous. One of them would provide a permanent joint commission of Chinese and Japanese to deal directly with problems as they arise. The experience of Canada and the United States in handling boundary disputes through such a commission is pointed to in support of this proposal. Incidents involving railroads or Korean settlers provoke the full force of patriotism and national pride when they must be settled through diplomatic channels.

If it were possible to refer them immediately to a local boundary commission, they would tend to become uninteresting administrative items. Another suggestion proposes a reform of the consular police system under which Japan maintains a consular police force, irritating to Chinese national pride, in order to protect its nationals in Manchuria. A third suggestion, based on the distance of Geneva from the Pacific Ocean and its relative unfamiliarity with Pacific problems, would result in an eastern office of the League, to deal with local disputes as Geneva has learned to handle them in Europe. That both Japanese and Chinese should sometimes feel that the true force of their arguments is lost in discussion far from the area which they concern, is perhaps not remarkable.

The Radical Solution

Still another group feels that all the measures suggested above are superficial, the second suggestions being only slightly less so than the first. Even the problems of conflicting interests in Manchuria are not at the heart of the trouble. Attacking the question at that point, they say, is like doctoring a tree half way up the trunk when the weakness lies in the roots. In the Far Eastern conflict, the root of the problem is in the domestic economies of the countries concerned. Manchuria, they believe, is important to Japan not nearly so much because it has essential food and mineral products as because it affords a profitable field for exploitation by the wealthy vested interests of Japan. Japanese capitalists so control the Tokyo Government through contributions to party funds and complete control over the purse strings of the nation that they can dictate the destinies of the country. By gaining control of the vast resources of Manchuria these capitalists can give profitable employment to their accumulations of surplus capital. The only way, then, to cure the Far Eastern trouble is to reform the social system in Japan (and also in China) which makes of Manchuria a battle ground for selfish greed.

This line of recovery leads to the radical solutions of the problem, either through the socialist or the communist method. Both methods are based on the conviction that all domestic forces, production, distribution, social and economic organization, must be so controlled in the interests of the whole society as to eliminate the power of a small group to pursue an imperialist policy.

If one recognizes that Manchuria is an area over which history has proved conflict to be recurrent, one must take seriously all suggestions for solving the difficulty, no matter how conservative or how radical. The suggestions described above are indicative of the lines along which different groups are working in seeking a solution.

